

National Economic Outlook



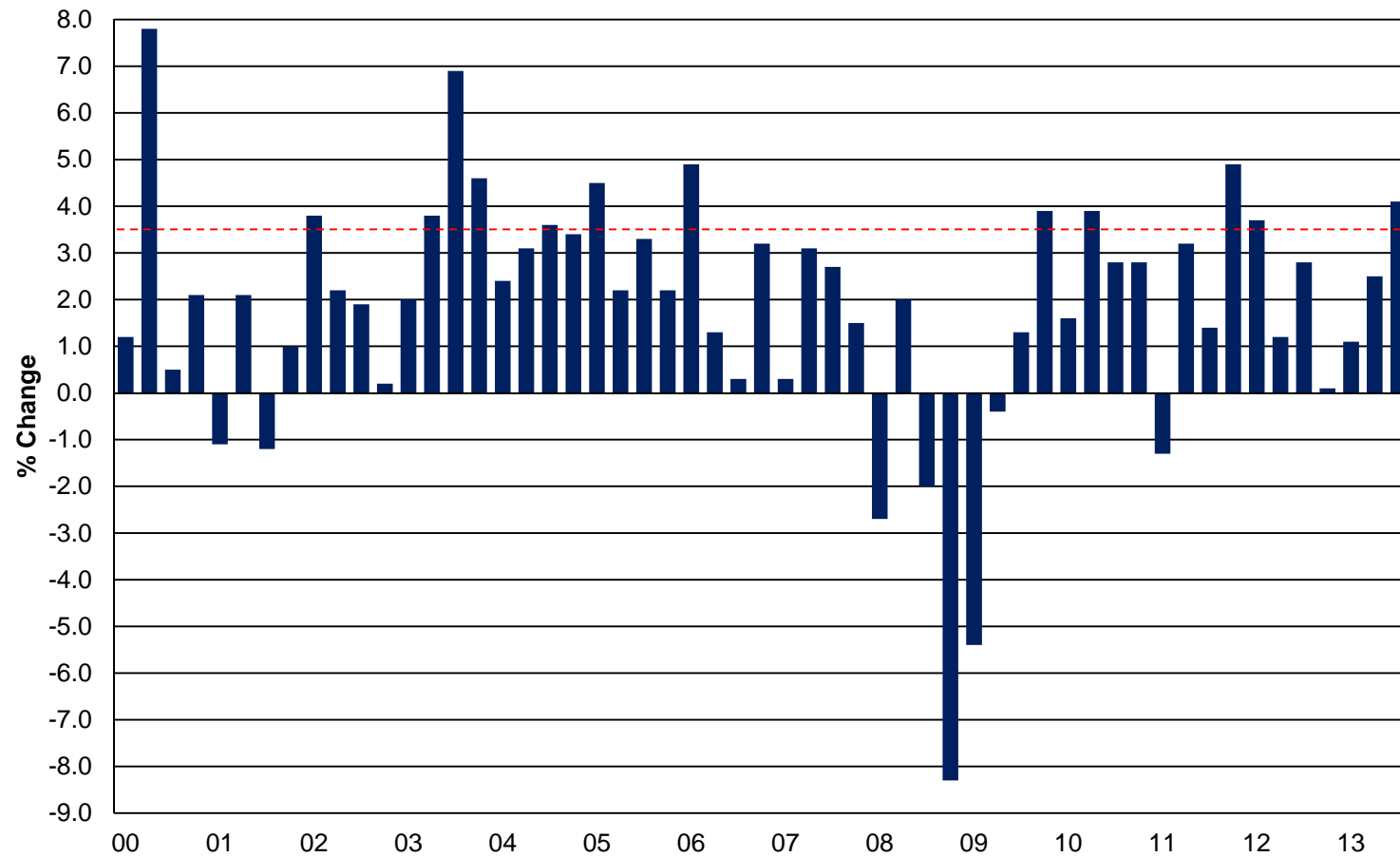
Alan Gin

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National Economic Outlook

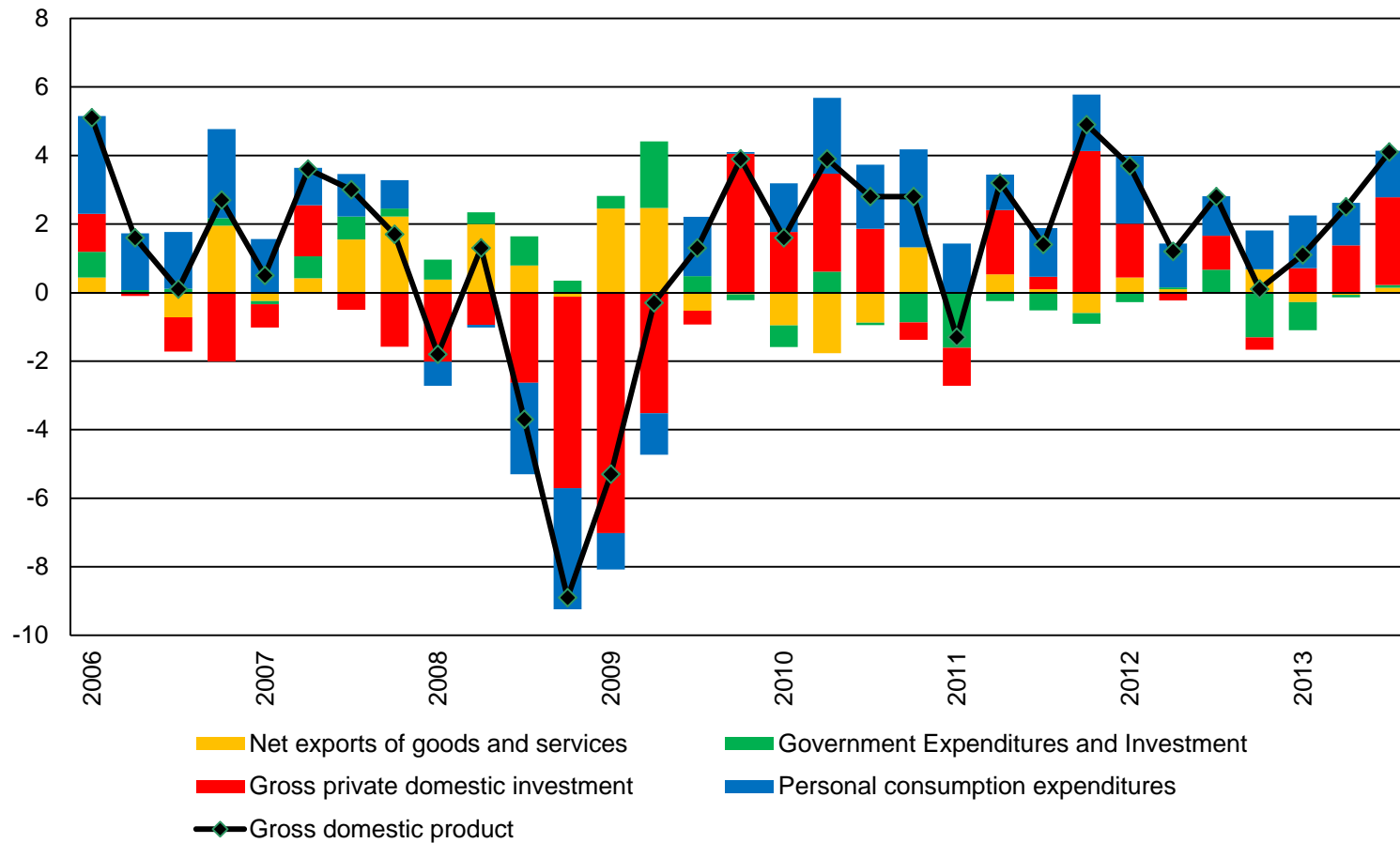


U.S GDP Growth Rate 2000 - Present



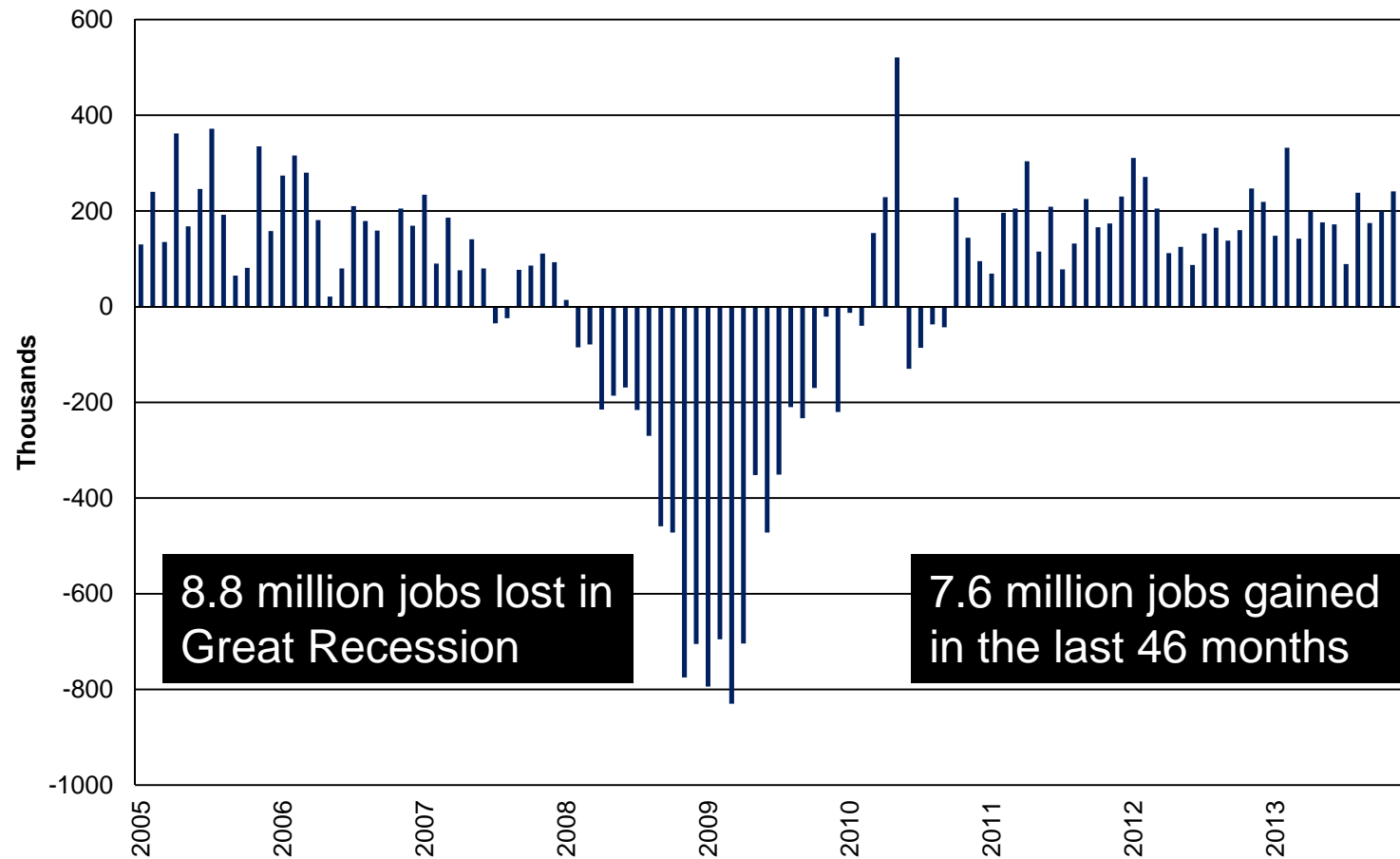
Source: Bureau of Economic Analysis

Components of GDP (Contributions to % Change in Real GDP)



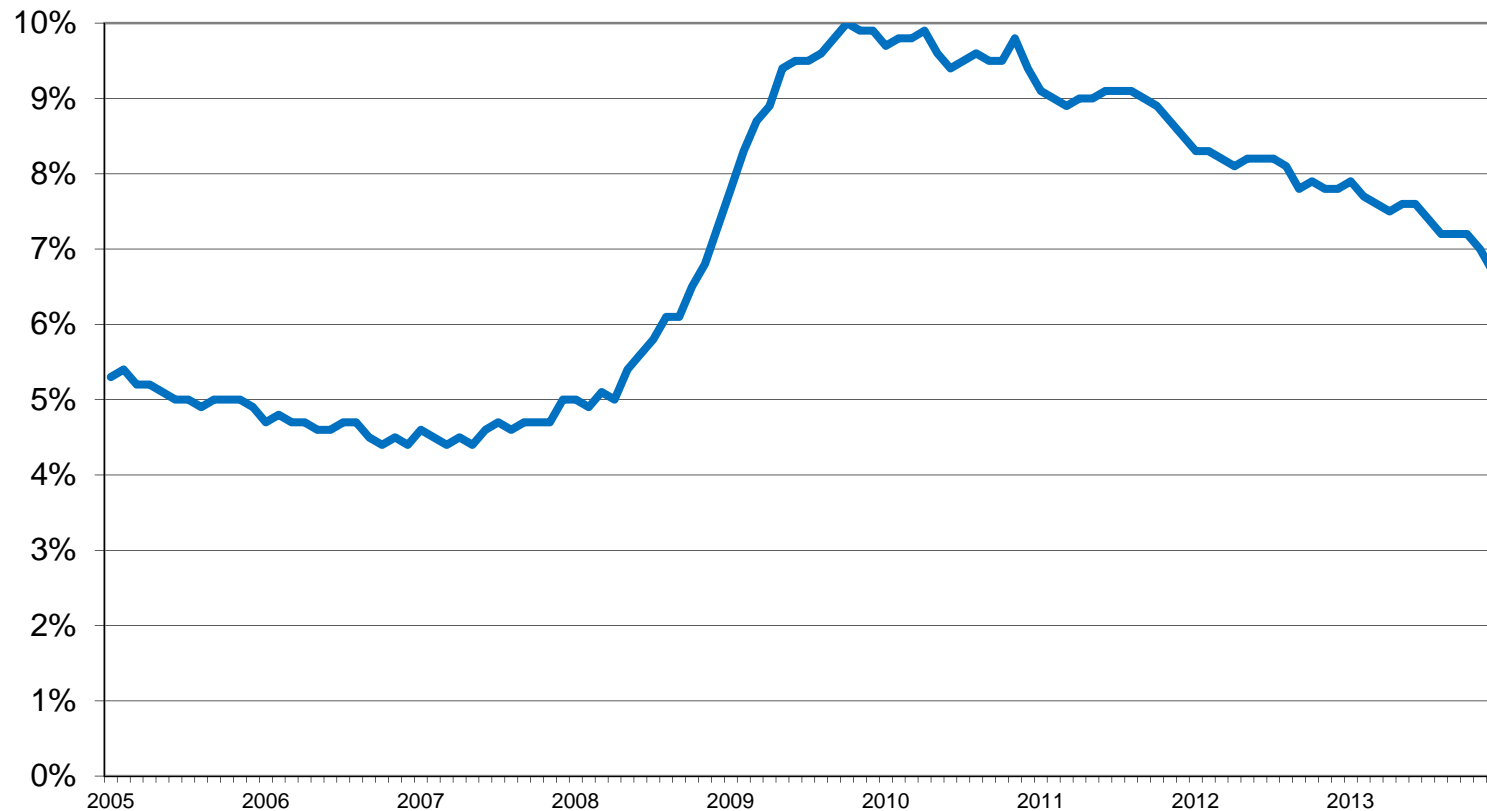
Source: Bureau of Economic Analysis

Change in Employment National Economy (2005 - Present)



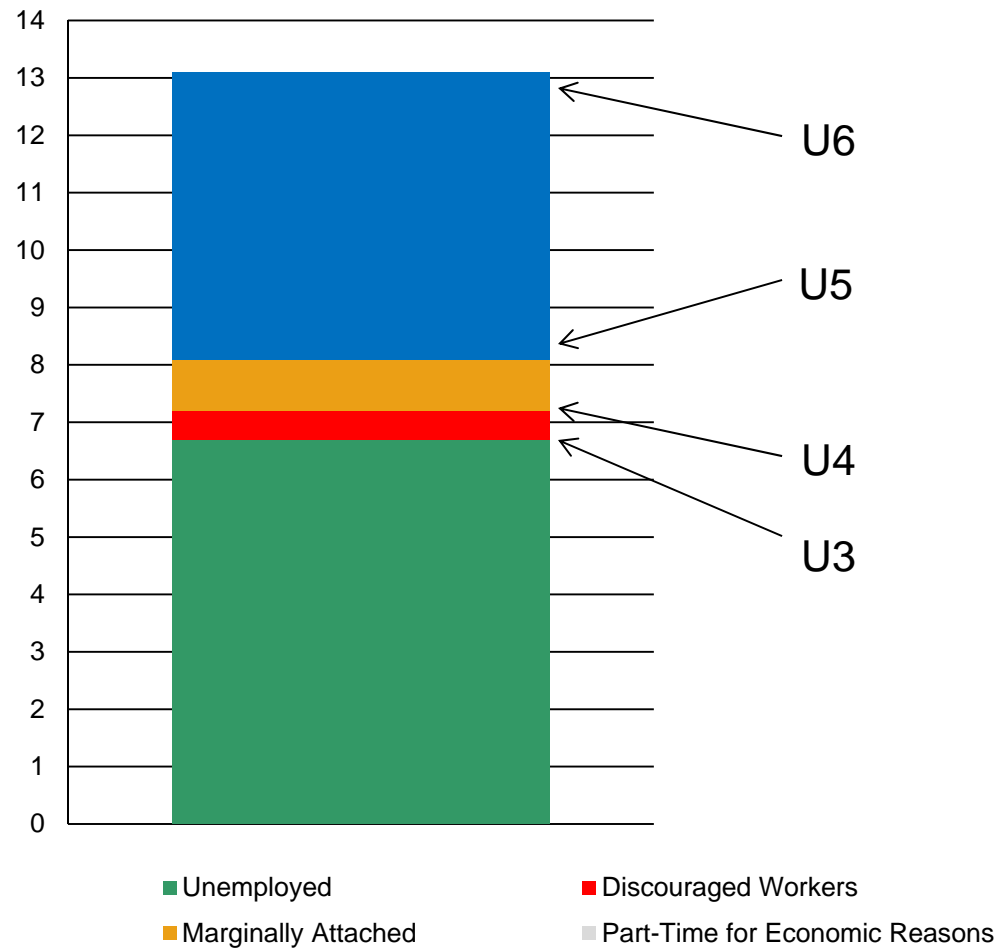
Source: Bureau of Labor Statistics

Unemployment Rate U.S. (2005 - present)

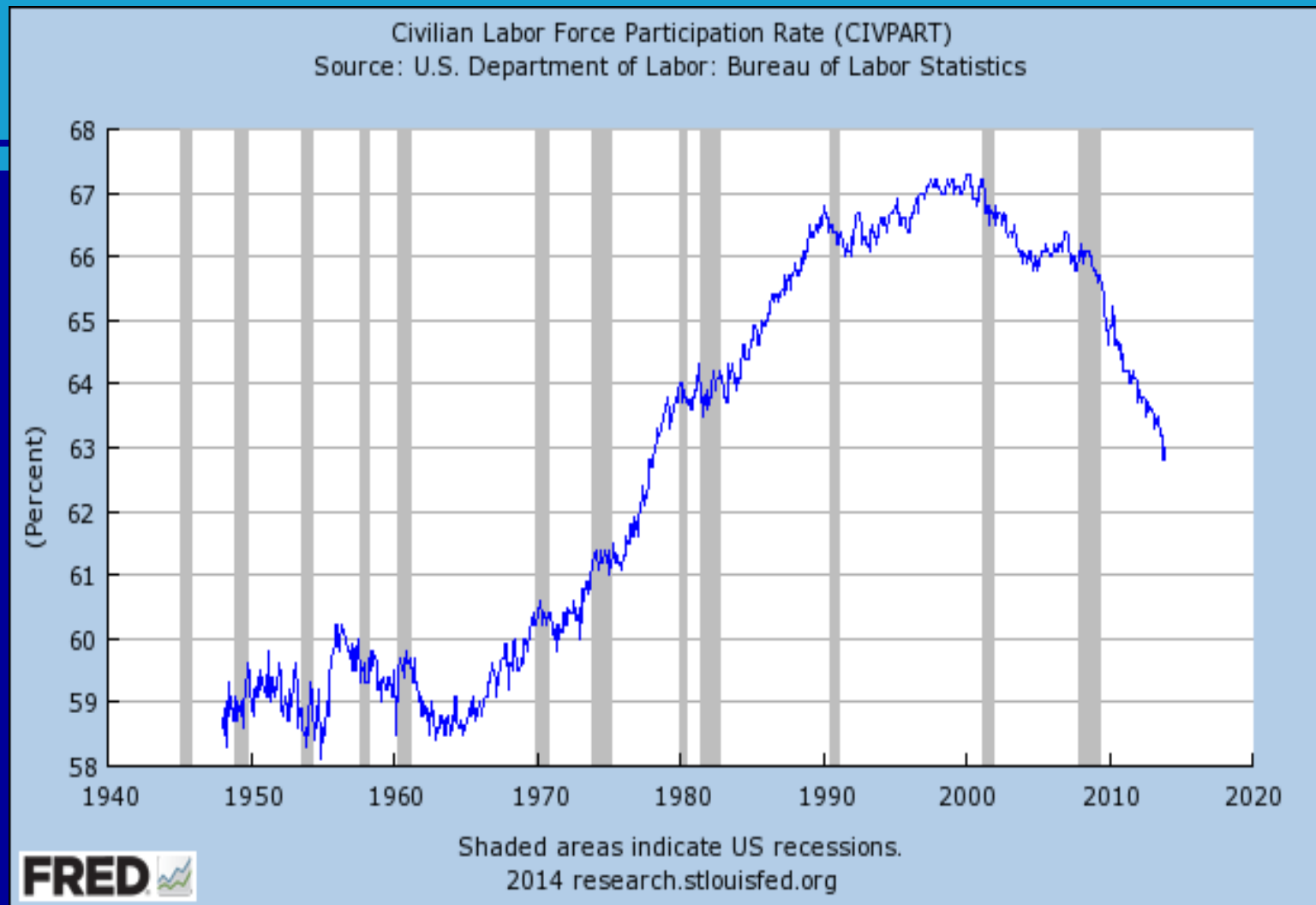


Source: Bureau of Labor Statistics

Labor Underutilization, December 2013

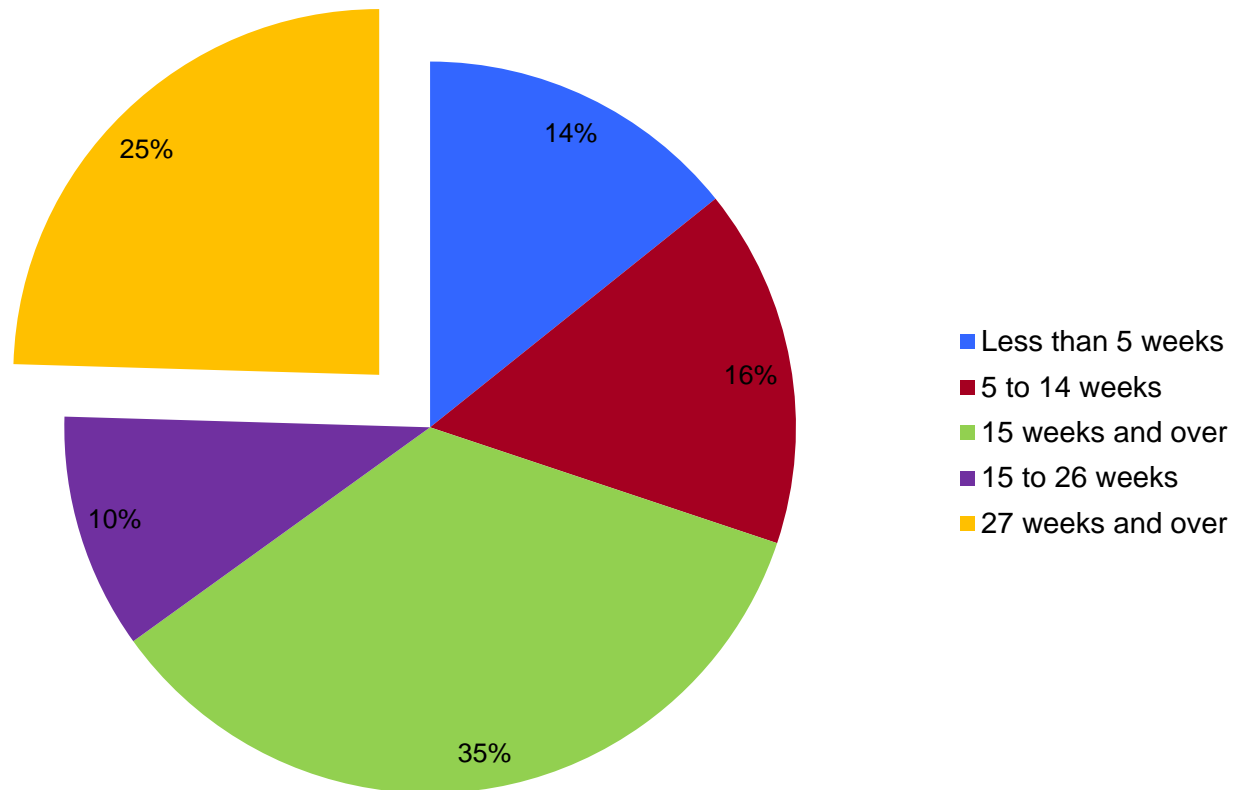


Source: Bureau of Labor Statistics



Source: Federal Reserve Bank of St. Louis

Duration of Unemployment (December 2013)

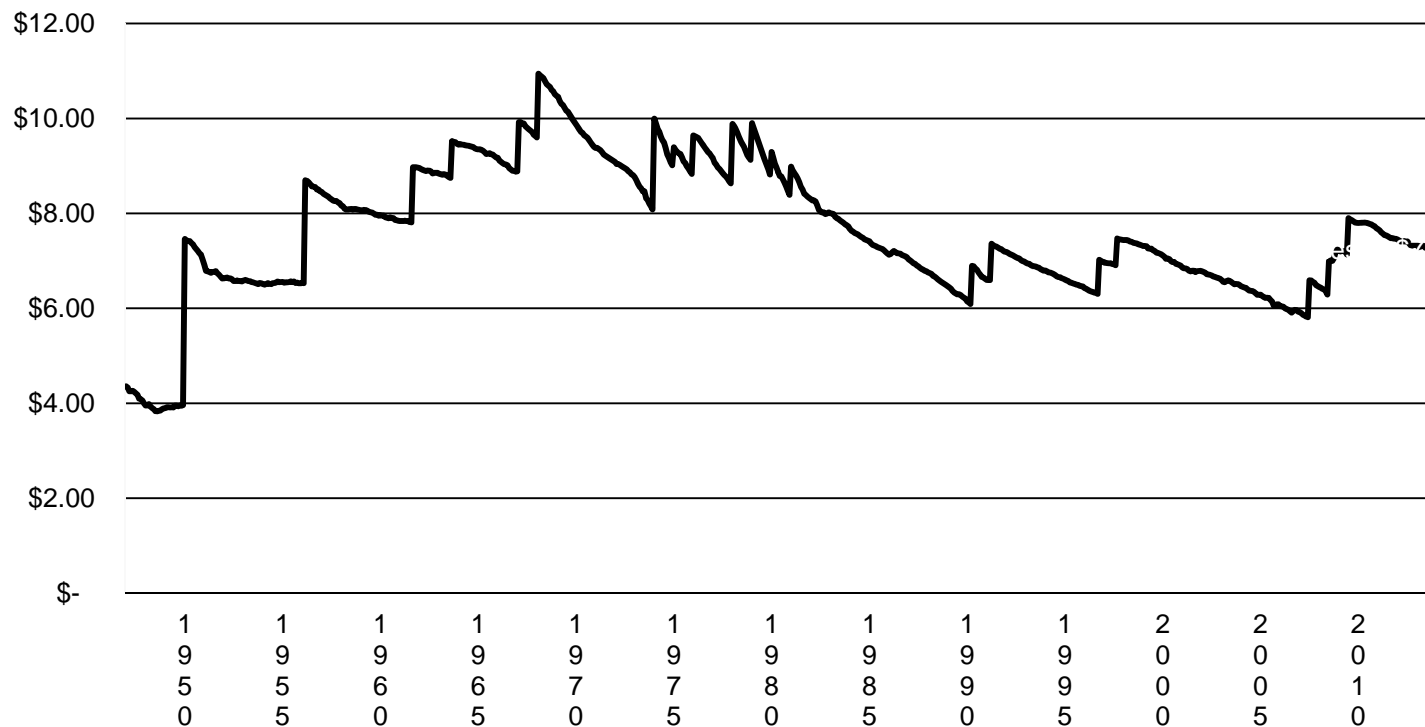


Source: Bureau of Labor Statistics

Problems

- Businesses profitable but hiring is slow
 - Operations streamlined during Great Recession, more productivity from remaining workers
 - Greater use of temporary/part-time workers
- Downward pressure on middle and lower income workers
 - Technological changes
 - Globalization
 - Decline in unionization
 - Reduced real value of the minimum wage

Real Value of the Minimum Wage (Base = November 2013)



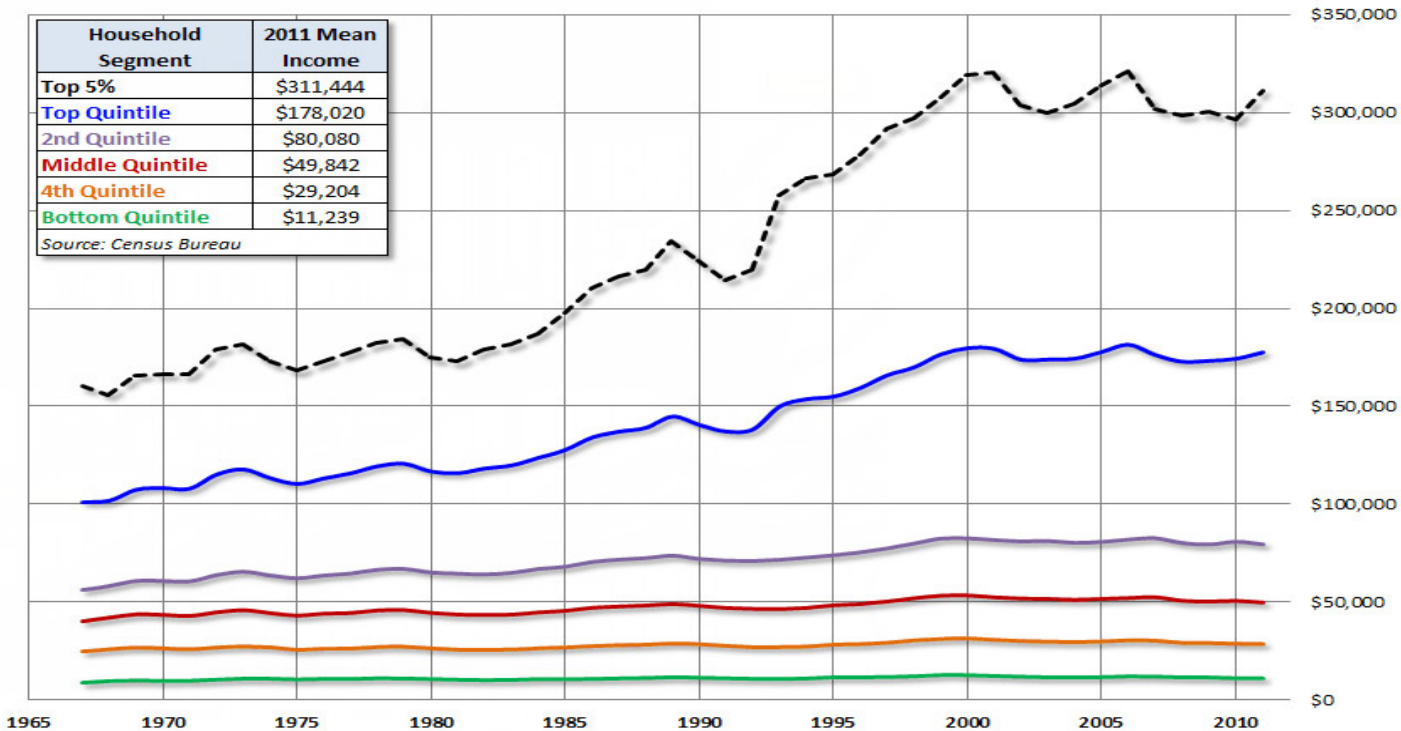
Source: Bureau of Labor Statistics, University of San Diego

Income inequality worse since 1920s

Source: Census Bureau
Data from 1967-2011

**Real (Inflation-Adjusted) Mean Household Income
By Quintile and Top 5%**

dshort.com



Employment

Investment
and Hiring

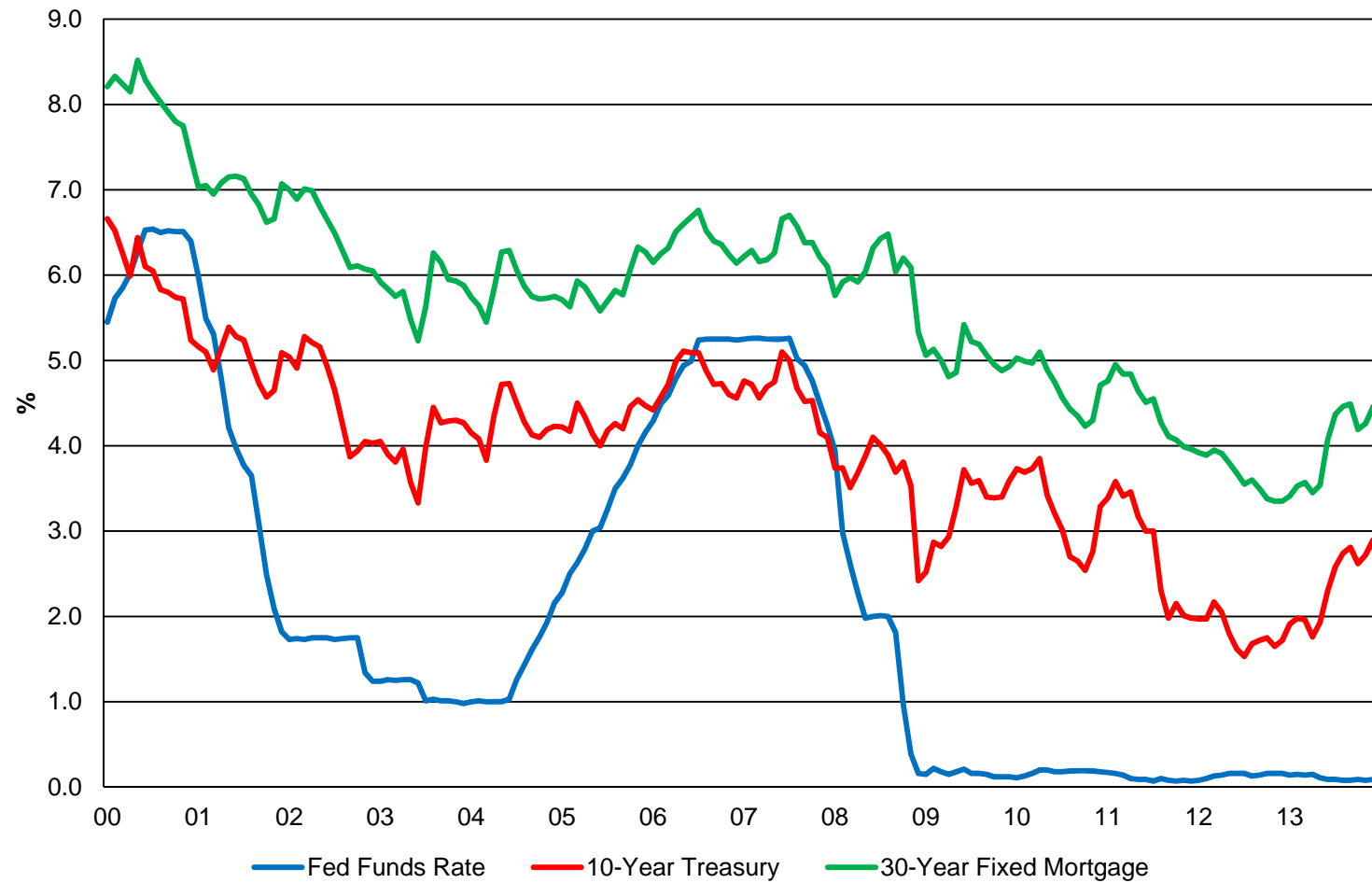
Income

Consumer
Spending

Outlook

- Economy growing, but weakly
 - GDP growth of 3.0 percent expected for 2014
- Unemployment rate expected to hit 6% in 2014
- Interest rates to increase slightly but remain relatively low

Interest Rates



Outlook for San Diego

- Local economy expected to outpace national economy
 - Job growth of 25,000 expected in 2014
 - Unemployment rate to fall below 6 percent
 - Job growth in health care, administrative and support services, professional and technical services, leisure and hospitality, and construction
 - Housing prices will continue to rise due to job growth, relatively low interest rates, slow construction, and fewer distressed properties

“It’s tough to make
predictions,
especially about
the future.”

Yogi Berra

